

State of South Dakota

SEVENTY-NINTH SESSION LEGISLATIVE ASSEMBLY, 2004

400J0709

HOUSE ENGROSSED NO. **SB 206** - 02/25/2004

Introduced by: The Committee on Education at the request of the Governor

1 FOR AN ACT ENTITLED, An Act to increase state aid to education.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 Section 1. That § 13-13-10.1 be amended to read as follows:

4 13-13-10.1. Terms used in this chapter mean:

5 (1) "Average daily membership," the average number of resident and nonresident
6 kindergarten through twelfth grade pupils enrolled in all schools operated by the
7 school district during the previous regular school year, minus average number of
8 pupils for whom the district receives tuition, except pupils described in subdivision
9 (1A) and pupils for whom tuition is being paid pursuant to § 13-28-42 and plus the
10 average number of pupils for whom the district pays tuition;

11 (1A) Nonresident students who are in the care and custody of the Department of Social
12 Services, the Unified Judicial System, the Department of Corrections, or other state
13 agencies and are attending a public school may be included in the average daily
14 membership of the receiving district when enrolled in the receiving district. When
15 counting a student who meets these criteria in its general enrollment average daily
16 membership, the receiving district may begin the enrollment on the first day of



attendance. The district of residence prior to the custodial transfer may not include students who meet these criteria in its general enrollment average daily membership after the student ceases to attend school in the resident district;

(2) "Adjusted average daily membership," calculated as follows:

(a) For districts with an average daily membership of two hundred or less, multiply 1.2 times the average daily membership;

(b) For districts with an average daily membership of less than six hundred, but greater than two hundred, raise the average daily membership to the 0.8293 power and multiply the result times 2.98;

(c) For districts with an average daily membership of six hundred or more, multiply 1.0 times their average daily membership;

(3) "Index factor," is the annual percentage change in the consumer price index for urban wage earners and clerical workers as computed by the Bureau of Labor Statistics of the United States Department of Labor for the year before the year immediately preceding the year of adjustment or three percent, whichever is less;

(4) "Per student allocation," for school fiscal year ~~2004~~ 2005 is ~~\$3,967.88~~ \$4,096.48. Each school fiscal year thereafter, the per student allocation is the previous fiscal year's per student allocation increased by the index factor;

(5) "Local need," the per student allocation multiplied by the adjusted average daily membership;

(6) "Local effort," the amount of ad valorem taxes generated in a school fiscal year by applying the levies established pursuant to § 10-12-42;

(7) "General fund balance," the unreserved fund balance of the general fund, less general fund exclusions plus, beginning with transfers made in fiscal year 2001, any transfers

1 out of the general fund for the previous school fiscal year;

2 (8) "General fund balance percentage," is a school district's general fund balance divided
3 by the school district's total general fund expenditures for the previous school fiscal
4 year, the quotient expressed as a percent;

5 (9) "General fund base percentage," is the general fund balance percentage as of June 30,
6 2000. However, the general fund base percentage can never increase and can never
7 be less than twenty percent;

8 (10) "Allowable general fund balance," the fund base percentage multiplied by the
9 district's general fund expenditures in the previous school fiscal year;

10 (11) "Imputed interest rate," the average prime rate for the preceding fiscal year minus 2.5
11 percentage points;

12 (12) "General fund exclusions," revenue a school district has received from the imposition
13 of the excess tax levy pursuant to § 10-12-43; revenue a school district has received
14 from gifts, contributions, grants, or donations; revenue a school district has received
15 under the provisions of §§ 13-6-92 to 13-6-96, inclusive; and any revenue in the
16 general fund set aside for a noninsurable judgment.

17 Section 2. The secretary of the Department of Education shall distribute to school districts,
18 from the funds made available in this Act because of declining enrollments, the sum of two
19 million four hundred thousand dollars (\$2,400,000) for allocation to school districts to provide
20 funding for secondary career and technical education programs. The balance of the funds made
21 available in this Act because of declining enrollments shall be distributed to sparse school
22 districts.

23 Section 3. That chapter 13-39 be amended by adding thereto a NEW SECTION to read as
24 follows:

1 The secretary of the Department of Education shall distribute to school districts money
2 appropriated by the Legislature for secondary career and technical education programs. The
3 secretary shall calculate the amount of money for each school district by multiplying the per
4 student allocation defined in subdivision 13-13-10.1(4) times two tenths (.2) times the number
5 of career and technical education program completers certified for each school. The secretary
6 shall promulgate rules, pursuant to chapter 1-26, to define the criteria to recognize and certify
7 program completers and establish performance-based standards for career and technical
8 education programs.

9 Section 4. The secretary of the Department of Education shall approve vouchers and the
10 state auditor shall draw warrants to pay expenditures authorized by this Act.

11 Section 5. Any amounts appropriated in this Act not lawfully expended or obligated by
12 June 30, 2005, shall revert in accordance with § 4-8-21.